



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 1230 (1945)

July 17, 1985

SUBJECT: Calculation of Production Losses

TO: State Directors, Farmer Program Chiefs,
District Directors, County Supervisors, and
Director, Finance Office, FmHA

Purpose: This AN is issued to clarify the interpretation of FmHA Instruction 1945-D, Section 1945.154 (a)(30), in regards to a qualifying production loss.

Comparison with previous AN: This AN replaces FmHA AN 782 (1945) which expired December 31, 1983. There are no changes from the previous AN.

Implementation Responsibilities: To qualify for EM loan assistance based on production losses, an applicant must have sustained at least a 30-percent production loss in any single enterprise considered a basic part of the farming operation. A single enterprise considered a basic part of the farming operation is defined in Section 1945.154 (a)(15) of FmHA Instruction 1945-D.

The amount of production loss calculated on Form FmHA 1945-26, "Calculation of Actual Losses," should be rounded to the nearest whole percentage number. To illustrate, if the calculation shows a 29.49 percent production loss, you should round it down to 29 percent, in which case the applicant does not qualify. If the calculation shows a 29.50 percent but less than 30 percent production loss, you should round it up to 30 percent, and the applicant does qualify.

State Directors should discuss the contents of this AN with all District Directors at their next staff meeting. District Directors will in turn discuss this AN with their County Supervisors.

The Emergency Loan Assessment Teams (ELATs) referred to in FmHA Instruction 1945-A, Section 1945.31, will monitor compliance with this AN.

DWIGHT O. CALHOUN
Acting Associate Administrator

EXPIRATION DATE: June 30, 1986

FILING INSTRUCTION: Preceding FmHA
Instruction 1945-D